

ITEM

FINANCES: FINAL ANNUAL BUDGET 2019/2020 FINANCIAL YEAR (2019/2020)

Report of the Municipal Manager

STRATEGIC OBJECTIVE

The strategic objective of this matter is sound financial management and viability.

SUMMARY

Final Capital and Operational Estimates (Budget) 2019/20 financial year is brought to Council for discussion and approval in its final format and then to invite public comments from stakeholders in terms of Municipal Finance Management Act 56 of 2003.

BACKGROUND

In terms of Local Government Municipal Finance Management Act, the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year and the mayor of the municipality must table annual budget at Council meeting at least 90 days before the start of the year.

The budget process is also guided by National Treasury Circular (MFMA Circular No.93 & 94).

FINANCIAL IMPLICATIONS

- The Final Operational Revenue budget 2019/20 amounts to **R 960 894** million and Operational Expenditure budget 19/20 amount to **R 951 282 million**, the operational Expenditure include the non- cash item amounting to R 100 million for Depreciation and R 45 million for Assets and debt impairment.
- The Final Capital budget estimate for 2019/20 amounts to R 203 378 million.

LIM344 Makhado - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	36 369	53 631	53 753	52 781	66 885	66 885	66 885	70 363	74 162	78 167
Service charges	274 876	311 785	284 716	354 723	329 236	339 415	339 415	383 042	432 351	488 065
Investment revenue	3 520	5 254	9 339	3 963	51	51	51	54	57	60
Transfers recognised - operational	363 595	305 850	311 919	321 811	321 473	321 473	321 473	361 091	380 590	401 142
Other own revenue	23 091	20 555	74 366	38 539	115 513	115 513	115 513	146 344	149 673	104 567
Total Revenue (excluding capital transfers and contributions)	701 451	697 074	734 093	771 818	833 157	843 336	843 336	960 894	1 036 833	1 072 001
Employee costs	212 743	227 595	–	283 826	249 493	249 493	249 493	284 371	304 277	325 577
Remuneration of councillors	22 592	23 595	25 307	11 135	27 775	27 775	27 775	28 554	30 552	32 691
Depreciation & asset impairment	105 979	–	82 967	78 148	103 148	103 148	103 148	100 000	105 200	110 881
Finance charges	–	3 119	12 159	13 102	13 154	13 154	13 154	6 752	7 117	7 501
Materials and bulk purchases	194 178	143 274	159 447	174 983	246 892	246 892	246 892	281 341	321 330	367 357
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	228 136	171 892	414 782	252 907	198 781	198 781	198 781	257 956	262 437	219 636
Total Expenditure	763 627	569 474	694 662	814 101	839 243	839 243	839 243	958 975	1 030 914	1 063 642
Surplus/(Deficit)	(62 176)	127 600	39 431	(42 283)	(6 086)	4 093	4 093	1 919	5 919	8 359
Transfers and subsidies - capital (monetary)	137 132	119 657	131 169	104 645	104 645	104 645	104 645	109 577	111 322	118 026
Contributions recognised - capital & contribu	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	74 956	247 257	170 600	62 362	98 559	108 738	108 738	111 496	117 241	126 385

The total grants that are going to be received by Makhado Municipality in 2019/20 are shown below:

MUNICIPAL GRANTS FOR 2019/20			
Description	Grants in 19/20 R '000	Grants in 2020/21 R '000	Grants in 2021/22 R '000
EQUITABLE SHARE	R 357 528	R 384 333	R 413 961
MIG	R 89 577	R 94 682	R 102 026
FMG	R 1 700	R 1 700	R 1 964
EPWP	R 1 863		
INEP	R 20 000	R 16 640	R 16 000
TOTAL	R 470 668	R 497 355	R 533 951

OTHER MUNICIPAL GRANTS FROM PROVINCIAL GOVERNMENT			
Description	Grants in 19/20 R '000	Grants in 2020/21 R '000	Grants in 2021/22 R '000
RAL	R 30 000	R 39 200	R 00
TOTAL	R 30 000	R 39 200	R 00

MIG and RAL contribution from operational expenditure 2019/2020

MIG AND RAL ALLOCATION TO OPERATION					
CODE	DESCRIPTION	SOURCE	2019/2020	2020/2021	2021/2022
1	Piesanghoek to Khunda Access road Phase 4	MIG	4 952 605.00	-	-
2	Tshedza to Vuvha Access road Phase 3	MIG	15 773 326.11	18 000 000.00	20 900 000.00
3	Gombiti,Tshivhuyuni to Mamphagi Road phase 3	MIG	15 773 326.11	17 150 000.00	1 000 000.00
4	Valdezia Xitacini to Jiweni access road phase 2	MIG	8 108 780.00	-	-
5	Chavani to Bungeni Road Phase 2	MIG	3 263 274.26	-	-
6	PMU FEES	MIG	3 080 883.00	3 698 749.08	4 476 000.00
7	Chavani to Bungeni Road Phase 2	RAL	30 000 000.00	39 200 000.00	-
	Total MIG and RAL to Operational		80 952 194.47	78 048 749.08	26 376 000.00

CAPITAL EXPENDITURE

The Capital Budget is as follows:

SUMMARY AS PER DEPARTMENT in R'000	Final Budget 2019/2020	Final Budget 2020/2021	Final Budget 2021/2022
PLANNING AND DEVELOPMENT	R 23 500	R 19 000	R 15 000
TECHNICAL SERVICES	R 136 175	R 156 056	R 189 600
COMMUNITY SERVICES	R 5 800	R 15 990	R 12 870
FINANCE	R 24 500	R 15 300	R 15 900
CORPORATE SERVICES	R 7 294	R 7 578	R 3 490
REGIONAL OFFICES	R 6 109	R 3 065	R 1 330
TOTAL	R 203 378	R 213 989	R 238 190

The major highlights of this Capital Budget are as follows:

MAKHADO MUNICIPALITY			
SUMMARISED ANNUAL CAPITAL BUDGET FOR 2019/2020 TO 2021/2022 FINANCIAL YEAR			
DEPARTMENT	2019/2020	2020/2021	2021/2022
Planning and Development	23 500 000.00	16 000 000.00	15 000 000.00
Technical Services	136 174 989.57	156 056 250.92	189 600 000.00
Community Services	5 800 000.00	15 990 000.00	12 870 000.00
Budget and Treasury	24 500 000.00	15 300 000.00	15 900 000.00
Corporate Services	7 294 000.00	7 578 000.00	3 490 000.00
Regional Office	6 109 000.00	3 065 000.00	1 330 000.00
TOTAL	203 377 989.57	213 989 250.92	238 190 000.00

**FINAL ANNUAL CAPITAL BUDGET 2019/2020 TO 2021/2022 FINANCIAL YEAR
BUDGET AND TREASURY OFFICE**

ASSETS MANAGEMENT SECTION					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Replace vehicle Speaker (Corporate Services)	INCOME	1 500 000.00		
2	Mini-bus 16 Seater for Ward Committees (Corporate services)	INCOME	-	600 000.00	
3	1 x 22m3 Refuse removal truck equipped with 240L bin carrier(lifting equipment) (Community services)	INCOME	2 500 000.00	2 600 000.00	2 700 000.00
4	Purchasing of 16 ton Skip Loader truck (Community services)	INCOME	2 000 000.00	-	2 100 000.00
5	Purchasing of 10 ton truck with waste collection cage	INCOME	1 000 000.00	-	-
6	Crane truck 1 x 7 Ton Truck with a crane 25T/m (Eletrial division)	INCOME	-	2 000 000.00	
7	LDV DC 4 X 4 (Electrical division)	INCOME	500 000.00	500 000.00	
8	Pole truck 1x7 Ton truck (half canopy+pole carrier) (Electrical division)	INCOME	1 500 000.00		
9	2 x Open bakkies 1 ton ,rubberised with bulbar and Tow bar (Building Maintenance)	INCOME		400 000.00	400 000.00
10	Graders (Roads & Storm water) and Municipal Vehicles	INCOME	11 500 000.00	4 000 000.00	8 000 000.00
11	1 X LDV Bakkie 1 ton (Roads & Storm water)	INCOME	400 000.00		
12	1 x Tipper Tuck 6 Cube (Roads & Storm water)	INCOME	1 500 000.00	1 500 000.00	1 500 000.00
13	Excavator (Roads and stormwater)	INCOME	-	3 000 000.00	-
14	Rollback 10 ton (Mechanical)	INCOME			1 200 000.00
15	2 x LDV Bakkie 1 ton (Road & storm water) building	INCOME	400 000.00	400 000.00	
16	Forklift (Road and storm water)	INCOME	300 000.00	300 000.00	-
17	3Ton diesel truck (Electrical division)	INCOME	600 000.00		
18	Furnuture for all municipality	INCOME	800 000.00		
TOTAL BUDGET AND TREASURY OFFICE			24 500 000.00	15 300 000.00	15 900 000.00

FINAL CAPITAL ESTIMATES 2019/20 TO 2021/22					
CORPORATE SERVICES DEPARTMENT					
UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Sage/VIP ESS Software for Employee Self Service Leave Applications	INCOME	60 000.00	-	-
2	Sage/VIP Overtime Management System Module	INCOME	300 000.00	50 000.00	
3	Sage/VIP PMS Module for Individuals	INCOME	-	400 000.00	-
4	Sage Computerized Attendance Register System; two entries & multiple points	INCOME	-	800 000.00	200 000.00
5	Upgrade Software: Office 2010 to Office 365 - all users	INCOME	800 000.00	200 000.00	
6	Software to align Budget, IDP and SDBIP	INCOME		450 000.00	60 000.00
7	Cabling in Civic Centre & regional offices for VOIP telephone system	INCOME	300 000.00	-	-
8	Central municipal VOIP telephone system for City 2025	INCOME	500 000.00	200 000.00	-
9	Councillors: Domain & Email Access & Mimecast Year 1 License fee	INCOME	394 000.00		
10	Executive and Council Chambers - Wifi connection	INCOME	100 000.00	-	-
11	HR Mobile office connectivity infrastructure	INCOME	300 000.00	-	-
12	D R hardware & software (subject to BIA outcome)	INCOME	1 500 000.00	100 000.00	-
TOTAL			4 254 000.00	2 200 000.00	260 000.00

CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
13	Computer and IT related office equipment all departments	INCOME	1 000 000	1 100 000.00	1 200 000.00
	TOTAL		1 000 000	1 100 000	1 200 000
ADMINISTRATION AND COUNCIL SUPPORT					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
14	Furniture Call Centre - 4 chairs	INCOME		28 000.00	30 000.00
15	Furniture ICT Office - 4 chairs, 4 desks			-	-
TOTAL			0	28 000.00	30 000.00
RECORDS MANAGEMENT					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
16	Filing System and warehousing	INCOME	2 000 000	2 000 000.00	2 000 000.00
TOTAL			2 000 000	2 000 000.00	2 000 000.00
HUMAN RESOURCES DIVISION					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
17	Mobile offices & services complete for EAP, Safety and Benefits section	INCOME		2 000 000.00	-
18	Furniture for four (4) incumbents at proposed new offices	INCOME		250 000.00	
TOTAL			0	2 250 000	0
COUNCILLOR AFFAIRS UNIT					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
21	Loud halers x 8	INCOME	40 000	-	-
TOTAL			40 000	-	-
DEPARTMENT CORPORATE SERVICES GRAND TOTAL			7 294 000	7 578 000.00	3 490 000.00

FINAL CAPITAL BUDGET 2019 TO 2021/2022 FINANCIAL YEARS					
COMMUNITY SERVICES DEPARTMENT					
LIBRARY SERVICES					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Extension of Library buildings	INCOME	-	1 000 000.00	50 000.00
2	Extension of Circulation Area	INCOME		150 000.00	-
3	Carports	INCOME		-	-
4	Office chairs	INCOME		-	-
5	Extension of ablution block	INCOME		-	-
6	M3 (Musekwa Library)	INCOME		30 000.00	20 000.00
TOTAL			-	1 180 000.00	70 000.00
PARKS AND RECREATION SECTION					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
7	Cemetery Management System	INCOME	-	500 000.00	500 000.00
8	Development of Dzanani Park	INCOME	500 000.00	500 000.00	-
9	Development of Waterval Park	INCOME	-	500 000.00	-
TOTAL			500 000.00	1 500 000.00	500 000.00
NO					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
10	30 Skip Bins	INCOME		800 000.00	-
11	1000 x 240L Wheelie bins	INCOME		-	-
12	Purchasing of 500 x 210L steel drums	INCOME	-	400 000.00	-
13	Purchasing of 300 Pedestrian concerte litter bin	INCOME		-	-
14	Rehab old landfill site (Vondeline)	INCOME	2 500 000.00	200 000.00	200 000.00
TOTAL			2 500 000.00	1 400 000.00	200 000.00
PROTECTION SERVICES					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
	Traffic Administration and Management System				
15	Construction of filing / Archive centre for sensitive documents	INCOME		2 000 000.00	2 000 000.00
16	Bio-Metric Access control System	INCOME	500 000.00	500 000.00	500 000.00
TOTAL			500 000.00	2 500 000.00	2 500 000.00
DZANANI TRAFFIC STATION					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
17	Upgrading of Vehicle Testing station (Grade B to A)	INCOME		3 500 000.00	4 000 000.00
TOTAL			-	3 500 000.00	4 000 000.00

MAKHADO TRAFFIC STATION					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
18	Upgrading DLTC (Paving of testing ground)	INCOME		1 000 000.00	1 500 000.00
19	Construction of Admin Block (Testing Ground)	INCOME	2 000 000.00	5 000 000.00	6 000 000.00
20	Furniture for new Makhado Traffic block	INCOME			-
21	Purchase of 15 X portable radios and 2 X Base radios	INCOME		150 000.00	
22	Paving parking space for customers	INCOME			-
23	Purchase of 2 X Computers & Printer for traffic administration	INCOME		-	300 000.00
24	Purchasing of Speed machine	INCOME	-	300 000.00	300 000.00
25	Purchase of 5 X High-back chairs for Cashiers	INCOME		-	-
26	Construction of cattle pound storage room	INCOME		160 000.00	-
27	Purchasing of 1 x printer for pound section	INCOME			-
28	Refurbishment of the existing cattle pound Structure	INCOME		1 200 000.00	-
29	Installation of alarm system	INCOME		50 000.00	-
TOTAL			2 000 000.00	7 860 000.00	8 100 000.00
WATERVAL TRAFFIC STATION					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
30	Refurbishment of the roof structure at Watervaal Office	INCOME	500 000.00	550 000.00	
31	Paving of parking area	INCOME		-	
32	Installation of alarm system	INCOME		-	
33	Installation of CCTV Cameras	INCOME		-	
34	Standby (backup)Electricity power Generator	INCOME	300 000.00		
TOTAL			800 000.00	550 000.00	-
TOTAL COMMUNITY SERVICES BUDGET			5 800 000.00	15 990 000.00	12 870 000.00

FINAL CAPITAL ESTIMATES 2019/20 TO 2021/22					
DEVELOPMENT AND PLANNING					
NO	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Dzanani Traders Market	INCOME	1 000 000.00	3 000 000.00	
2	Tshakhuma fruit market	INCOME	5 000 000.00		
3	Construction of N1 tourism park	INCOME	2 000 000.00	3 000 000.00	
4	Construction of Incubation centre at ha Rathidili	INCOME	2 000 000.00		
5	Design and Construction of Erf 210 Burger Street Market Stalls	INCOME	2 000 000.00		
6	Refurbishment of Information Centre and lap	INCOME	1 000 000.00		
7	Change Room for Workshop	INCOME	500 000.00		
8	Mukondeni Pottery	INCOME		2 000 000.00	
9	Arts and Craft centre designs	INCOME	500 000.00	3 000 000.00	
10	Oosoes hoogte Development	INCOME		5 000 000.00	5 000 000.00
11	Designs of Municipality Civic centre	INCOME	2 000 000.00		5 000 000.00
12	Reallocation of Rugby Stadium		7 500 000.00		
13	Refurbishment of show ground	INCOME			5 000 000.00
Total			23 500 000.00	16 000 000.00	15 000 000.00

FINAL ANNUAL CAPITAL BUDGET 2019/2020 TO 2021/2022 FINANCIAL YEAR REGIONAL OFFICES					
WATERVAL REGIONAL OFFICE					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
1	Boreholes: 1 x Waterval Regional Office ,Stores and Vleifontein equiping and Tank	INCOME	350 000.00		
2	Movable Shelf for Record Office	INCOME	500 000.00		
3	TLB	INCOME		2 500 000.00	
4	2 x Bakkies	INCOME	800 000.00		800 000.00
5	1 x Sedan for Office	INCOME		450 000.00	450 000.00
6	3 x Floor Polisher Machine	INCOME		35 000.00	
7	1 x Fridges	INCOME	10 000.00		
8	Office Furniture for Waterval Regional Office	INCOME	120 000.00		
9	Telephone and IT Network for Waterval Community Hall Offices	INCOME	110 000.00		
TOTAL			1 890 000.00	2 985 000.00	1 250 000.00
DZANANI REGIONAL OFFICE					
CODE	DESCRIPTION	SOURCES	2019/2020	2020/2021	2021/2022
10	Borehole at Musekwa TSC	INCOME	70 000.00		
11	Ablution Facility at Transfer Station	INCOME	150 000.00		
12	Air Conditioner for Dzanani Community Hall	INCOME	70 000.00	80 000.00	80 000.00
13	Air Conditioner at Musekwa Thusong (Library)	INCOME	70 000.00		
14	Fencing of Dzanani Regional Office	INCOME	400 000.00		
15	Rehabilitation of Streets: Ramaano ,Tshitotolwe and Denzhe	INCOME	3 000 000.00		
16	Branding of Musekwa TSC	INCOME	30 000.00		
17	Branding of Dzanani Community Hall	INCOME	30 000.00		
18	Printer Oki microline 3320	INCOME	10 000.00		
19	3 x High Back Chairs	INCOME	5 000.00		
20	1 x Chainsaw	INCOME	7 000.00		
21	2 x Electric Mowing Machine	INCOME	5 000.00		
22	10 x Arm Chairs	INCOME	25 000.00		
23	3 x Single Pedastal	INCOME	15 000.00		
24	Combination Tractor Trailer and 5 Containers	INCOME	300 000.00		
25	1 x Grass Cutter (Walk Behind)	INCOME	12 000.00		
26	6 x Brush Cutter	INCOME	20 000.00		
TOTAL			4 219 000.00	80 000.00	80 000.00
TOTAL REGIONAL OFFICES BUDGET			6 109 000.00	3 065 000.00	1 330 000.00

FINAL ANNUAL CAPITAL BUDGET 2019/2020 TO 2021/2022 FINANCIAL YEAR				
TECHNICAL SERVICES DEPARTMENT				
ELECTRICAL ENGINEERING - INCOME BUDGET				
NO	DESCRIPTION	2019/2020	2020/2021	2021/2022
1	Car ports		100 000.00	-
2	Air conditioners	330 000.00	330 000.00	400 000.00
3	CT VT Units 11kv & 22kV various sub stations	500 000.00	500 000.00	400 000.00
4	Low voltage problems Rural Farming	2 000 000.00	1 000 000.00	1 000 000.00
5	Mini Subs	1 000 000.00	1 500 000.00	1 300 000.00
6	MV Cable 70mm ² 11kV - urban network	800 000.00	800 000.00	800 000.00
7	MV cable 95mm ² 22kV	-	1 400 000.00	350 000.00
8	Recloser and controllers whole network			
9	Re-design, grading & coordination of all protection circuits on fault levels - total network	-	1 000 000.00	-
10	Replace Line protection control Panel complete Makhado Sub	-	1 000 000.00	-
11	Transformers 2x10MVA 22/11	3 000 000.00	3 250 000.00	5 000 000.00
12	Transformers 2x5MVA 22/11		1 850 000.00	
13	Transformers 1x5MVA 22/11	2 000 000.00	2 500 000.00	
14	Emmerentia substation refurbishment	150 000.00		
15	Upgrade Lev1	1 000 000.00	2 000 000.00	2 000 000.00

16	Upgrade Levubu 2 line	500 000.00	200 000.00	200 000.00
17	Upgrade Mara Line	500 000.00	500 000.00	500 000.00
18	Upgrade Shefeera Line	500 000.00	2 000 000.00	5 000 000.00
19	Upgrade Levubu East line	2 000 000.00	2 000 000.00	2 000 000.00
20	Upgrade Tshipise line			300 000.00
21	Upgrade Urban Substations	3 000 000.00	3 000 000.00	3 000 000.00
22	Upgrading bulk supply Sinthimule and kutama	4 000 000.00	-	-
23	Upgrading bulk supply Tshipise Leeudraai		3 000 000.00	5 000 000.00
24	Upgrading bulk supply Tshithuni 2.5MVA	3 000 000.00	-	5 000 000.00
25	Replace OCB (out door circuit breakers - main sub station)		1 000 000.00	1 000 000.00
26	Transformer oil purification	-	350 000.00	350 000.00
27	Service MV OCB's	-	1 000 000.00	1 000 000.00
28	Incomer intake point Eskom Substation	5 000 000.00	2 000 000.00	4 000 000.00
29	Ring Main Units 11kV (RMU)	3 000 000.00	2 000 000.00	4 000 000.00
30	Bush valley		2 000 000.00	2 000 000.00
31	Eltivillas Extension		300 000.00	300 000.00
32	Extension 8		200 000.00	300 000.00
33	Extenuation 9 development		2 000 000.00	500 000.00
34	Leeu street development Ext 13		5 000 000.00	5 000 000.00
35	Link and bulk services Ext 12 (38 erven)		1 000 000.00	500 000.00
36	New offices at the Elect workshop			2 500 000.00
37	Electrical Master plan : Appointment and inception work to be done in 2019/20			
38	Extensions Munic area		2 500 000.00	3 000 000.00
39	South of Pretorius Str Bulk supply Engineering		2 500 000.00	500 000.00
40	Reroute Shefeera Line	500 000.00	1 183 000.00	2 000 000.00
41	Reroute and upgrade Levubu East line			
42	New ring feed line and upgrading for Mountain line	3 500 000.00	2 000 000.00	5 000 000.00
43	New bay for used transformers and oil catch-pit at workshop		200 000.00	-
44	New Voltage Regulators for Tshipise Line		2 000 000.00	-
45	Electrification of villages top up to INEP grant	4 000 000.00	2 000 000.00	8 000 000.00
46	Post connections Minor extensions Munic area	5 000 000.00	2 000 000.00	8 000 000.00

47	Pre-Paid Meters Conversional Single phase	5 000 000.00	2 500 000.00	2 500 000.00
48	High masts lighting in villages	2 500 000.00	3 000 000.00	3 500 000.00
49	Designs for villages to be electrified	3 500 000.00	2 500 000.00	3 500 000.00
50	Tshikota Electrification of 170 stands		4 500 000.00	
TOTAL		56 280 000.00	71 663 000.00	89 700 000.00

ELECTRICAL ENGINEERING - INEP BUDGET				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
51	MUANANZHELE PHASE2	2 098 400.00		
52	SMOKEY & KHOMELE SECTIONS	2 304 800.00		
53	RAMANT SHA & RIVERSIDE	2 803 600.00		
54	KHUNDA & MAT SHAVHAWE	1 393 200.00		
55	MANAVHELA VILLAGE	258 000.00		
56	DOLI-DOLI/NDOUVHADA	258 000.00		
57	MADODONGA VILLAGE	1 290 000.00		
58	MARANIKWE VILLAGE	602 000.00		
59	MUDILMELI VILLAGE PH2	946 000.00		
60	SANE/NATALIE VILLAGES	946 000.00		
61	TSHIKODOBO VILLAGE	258 000.00		
62	ZAMEKOMSTE VILLAGE	430 000.00		
63	TSHIKOTA LOCATION	172 000.00		
64	MAGAU VILLAGE	1 135 200.00		
65	MAKHITHA VILLAGE	1 100 800.00		
66	MAKUSHU VILLAGE	946 000.00		
67	MAMBURU	430 000.00		
68	MASHAU/TSHILAPHALA Phase2	430 000.00		
69	PFUMEMBE	997 600.00		
70	MAANGANI	1 200 400.00		
71	Muananzhele Phase3 (Kanana)		4 716 000.00	
72	Muananzhele Phase-3 15km MV line		4 500 000.00	
73	Buysdorp		3 712 000.00	
74	Mulenga & Tshirolwe		739 600.00	
75	Kutama(Tshikwarani)		722 400.00	
76	Muduluni Block F		344 000.00	
77	Dzananwa		292 400.00	
78	Tsianda		258 000.00	
79	Tshivhangani		172 000.00	
80	Dzivhalanombe Themba		1 183 600.00	
81	Mulenga			567 600.00
82	Kutama(Tshikwarani)			722 400.00
83	Muduluni Block F			344 000.00
84	Dzananwa			292 400.00
85	Tsianda			258 000.00
86	Tshivhangani			172 000.00
87	Dzivhalanombe Themba			1 720 000.00
88	Mawoni 110, Hamapila 40, Grace Park 80			3 956 000.00
89	Woyoza 50 and Xilumani 709			7 967 600.00
TOTAL		20 000 000.00	16 640 000.00	16 000 000.00

MIG ALLOCATION				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
90	Tshikwarani to Zamkomste Road Phase 3	25 017 518.00	-	-
91	Waterval Sports Facility Phase 2	10 119 951.00	-	-
92	Waterval Sports Facility Phase 3	900 000.00	15 333 250.92	-
93	Mudimeli bridge and Access road Phase 3	-	-	-
94	Fencing of Makhado municipality cemetery	1 193 834.00	3 000 000.00	2 500 000.00
95	Valdezia Xitacini to Jiweni access road phase 3	1 393 503.00	18 400 000.00	3 400 000.00
96	Landfill site makhado : regravelling of road & 3 Cells	-	8 900 000.00	2 000 000.00
97	Lutanandwa Acces Road & Bridge		1 100 000.00	13 500 000.00
98	Erf 210 Burger Street market revitalization project		1 100 000.00	13 000 000.00
99	Kutama / Sinthumule Sports Facility		1 100 000.00	13 850 000.00
100	Waterval Region Refuse Transfer Station		1 100 000.00	4 500 000.00
101	Mingard Bridge & Access road to Mhokota Entrance		-	1 100 000.00
102	Luvhalani to Dzananza Access Road		-	1 100 000.00
103	Makatu to Tshikota Access Road			1 100 000.00
104	Rivoni to Xihobyeni Access road		7 000 000.00	14 000 000.00
105	Tsianda (Marundu to Military Base) Access Road		-	1 100 000.00
106	Afton to Natalie Bridge		1 100 000.00	4 500 000.00
	Total	38 624 806.00	58 133 250.92	75 650 000.00

INCOME				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
107	Mingard Bridge to Mhokota Entrance	700 000.00	-	-
108	Luvhalani to Dzananwa Access Road	700 000.00	-	-
109	Makatu to Tshikota Access Road	700 000.00	-	-
110	Rivoni to Xihobyeni Access road	700 000.00	-	-
111	Tsianda (Marundu to Military Base) Access Road	700 000.00	-	-
112	Waterval Region Refuse Transfer Station	700 000.00	-	-
113	Mudimeli bridge and Access road Phase 3	7 042 280.70	-	-
114	Tshikwarani to Zamkomste Road Phase 3	1 957 902.87	-	-
115	Waterval Stormwater	700 000.00	-	-
116	Tshivhuyuni Sports Facility	-	800 000.00	-
117	Afton to Natalie Access Road	800 000.00	800 000.00	-
	Total	14 700 183.57	1 600 000.00	-

BUIDING MAITENANCE				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
118	Refurbishment of old age home (Municipal rental flats)		-	400 000.00
119	Refurbishment of Municipal exhibiting store at show ground	400 000.00		2 000 000.00
120	Refurbishment of Electrical Store and Warehouse	600 000.00	500 000.00	300 000.00
121	Upgrading of workshop and Refurfshment of ablutions of female & Ma	700 000.00	200 000.00	300 000.00
122	Painter Mixer	-	-	350 000.00
123	Refurbishment of Eltivillas Swimming pool (buildings) and Installation	-	-	2 000 000.00
124	Refurbishment of Waterval Regional office and Refurbishment of wat	-	800 000.00	250 000.00
125	Tilling and of Vleifontein regional Office	350 000.00	-	-
126	Hand tools	100 000.00		
127	Fencing of Ha Mutsha Community hall	400 000.00	300 000.00	300 000.00
128	10 x Concrete toilets for Waterval & Vleinfontein grave yards, Otto's Hoogste farm and Community halls.	-	450 000.00	
129	Rehabilitation and Paving of parking area at Electrical parking		450 000.00	200 000.00
130	Retiling of Dzanani Traffic Stattion office	700 000.00	-	
131	Refurbishment of Muwaweni Community hall	-	450 000.00	350 000.00
132	Roofing and Tilling of Veranda of DDP Office	-	550 000.00	-
133	Refurbishment and fencing of fort hendrina monument National Heritage		250 000.00	
134	Zamenkomste Pay point fence and Toilets		350 000.00	
135	Installation of sliding gates at Municipal Premises	350 000.00		
136	Drilling and Equipment of two boreholes at Civic Centre	450 000.00		
	Total	4 050 000.00	4 300 000.00	6 450 000.00

ROADS & STORMWATER				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
137	2 X Pedestrian Roller	300 000.00	300 000.00	300 000.00
138	Jump Stamper	20 000.00	-	-
139	Four ways Stop Pavement	500 000.00	500 000.00	500 000.00
140	Culvert Pipe (Rockla)	800 000.00	800 000.00	1 000 000.00
	Total	<u>1 620 000.00</u>	<u>1 600 000.00</u>	<u>1 800 000.00</u>
MECHANICAL WORKSHOP				
CODE	DESCRIPTION	2019/2020	2020/2021	2021/2022
141	Workshop Steel Structure	-	1 000 000.00	
142	Hand Tools and Toolbox	40 000.00	20 000.00	-
143	Generator/Welding Machine	60 000.00	300 000.00	-
144	Paving Workshop	800 000.00	800 000.00	-
	Total	<u>900 000.00</u>	<u>2 120 000.00</u>	-
		<u>136 174 989.57</u>	<u>156 056 250.92</u>	<u>189 600 000.00</u>

PROPOSED TARIFF INCREASES

Proposed tariff increase on other services are as follows:

SERVICE	2019/2020	2020/2021	2021/2022
Electricity	13.07%	13.07%	13.07%
Property rates	5.20%	5.40%	5.40%
Other services	5.20%	5.40%	5.40

Copies of proposed increase of municipal tariffs are attached as **Annexure C**.

BULK PURCHASES

The total budget for bulk purchases for electricity is R 281 341 million

GENERAL EXPENSES

General expense (Including other expenditure, contracted services and other materials has been provided for at R 251 891 million in 2019/2020 financial year operational estimates.

SALARIES, WAGES AND ALLOWANCES

The salaries and wages are budgeted for at an overall increment rate of 7% based on bargaining council agreement effective from 01 July 2018 to 30 June 2021.

The total salary bill to the amount of R 284 371 million includes the budgeted positions to be filled during the 2019/2020 financial year. This represents 30% of the Total operating budget.

BUDGET RELATED POLICIES

The following budget related policies and are attached to this document for Approval by Council as part of the 2019/2020 Final Estimates –

Policies

1. Virement Policy
2. Credit Control and Debt Collection Policy
3. Borrowing policy
4. Expenditure Management Policy
5. Funding and Reserves Policy
6. Budget Policy
7. Framework for cash flow management
8. Asset management policy
9. Subsidy for indigent household policy
10. Debt written off policy
11. Property Rates Policy
12. Supply Chain Management Policy
13. Revenue Management Policy
14. Travel and Subsistence Policy
15. Acquisition and use of Cellular phones Policy
16. Petty cash policy
17. Car allowance policy
18. Fleet Management policy
19. Tariff policy
20. Customer Care policy
21. Investment policy

POLICY IMPLICATIONS

Compliance to section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury attached being the quality certificate approved by the accounting officer.

LEGAL IMPLICATIONS

Currently None

RISK IMPLICATIONS

None

ENVIRONMENTAL IMPLICATIONS

None

CHANGE MANAGEMENT IMPLICATIONS

Ensure compliance to MFMA and timely submission of draft budget on schedule a, version 6.3 in line with Municipal Budget and Reporting Regulations.

CONSIDERATION

THAT the Final Capital and Operational Estimates for the 2019/2020 financial year be approved to council and that the Accounting Officer proceeds with the publication of the Final Annual Budget as purposed in section 22 of the Municipal Finance Management Act 56 of 2003.

MANAGEMENT RESOLVED TO RECOMMEND TO THE EXECUTIVE COMMITTEE

1. THAT the Final Capital and Operational Estimates for the 2019/20 financial year as more fully recorded in **Annexure A** attached to the report in this regard be approved by council and that the Accounting Officer proceeds with the publication of the Final Annual Budget as purposed in section 22 of the Municipal Finance Management Act 56 of 2003.
2. THAT the following 2019/2020 to 2021/2022 financial year's budget related policies be approved as more fully set out in **Annexure B1 to B21** attached to the report in this regard-
 - 2.1 Virement Policy
 - 2.2 Credit Control and Debt Collection Policy
 - 2.3 Borrowing policy
 - 2.4 Expenditure Management Policy
 - 2.5 Funding and Reserves Policy
 - 2.6 Budget Policy
 - 2.7 Framework for cash flow management
 - 2.8 Asset management policy
 - 2.9 Subsidy for indigent household policy
 - 2.10 Debt written off policy
 - 2.11 Property Rates Policy
 - 2.12 Supply Chain Management Policy

- 2.13 Revenue Management Policy
 - 2.14 Travel and Subsistence Policy
 - 2.15 Acquisition and use of Cellular phones Policy
 - 2.16 Petty cash policy
 - 2.17 Car allowance policy
 - 2.18 Fleet Management policy
 - 2.19 Tariff Policy
 - 2.20 Customer Care Policy
 - 2.21 Investment policy
3. THAT the amendment to the contents of the Budget Related Policies as reflected in the **Annexure D** be approved to Council.
4. THAT the increase in 2019/2020 municipal tariffs and charges be approved by council as more fully set out in the various notices of **Annexure C** to this report, and the necessary promulgation thereof be done in terms of the provisions of Local Government Legislation.
5. THAT it be noted that the Final 2019/2020 Estimates will after being approved by the Council in terms of section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury attached being the quality certificate approved by the accounting officer.